

Historic, archived document

Do not assume content reflects current
scientific knowledge, policies, or practices.

1.9
EC 752F
99.6

LIBRARY
UNITED STATES DEPARTMENT OF AGRICULTURE
BUREAU OF AGRICULTURAL ECONOMICS
1-143

THE

Cotton

1944 OUTLOOK ISSUE

SITUATION

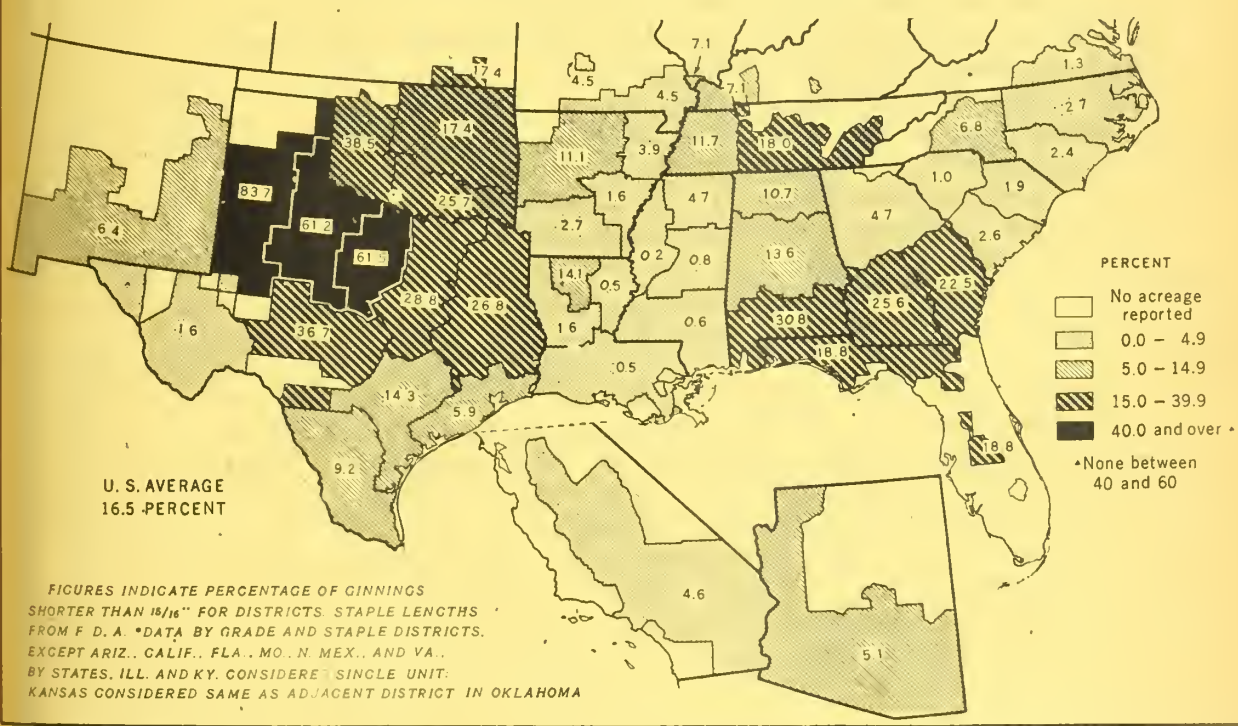
BUREAU OF AGRICULTURAL ECONOMICS
UNITED STATES DEPARTMENT OF AGRICULTURE

CS-83

BAE

OCTOBER 1943

COTTON, UPLAND: PERCENTAGE OF GINNINGS SHORTER THAN
15/16 INCH. BY DISTRICTS, 1940-42 AVERAGE *



U. S. DEPARTMENT OF AGRICULTURE

NEG. 43300 BUREAU OF AGRICULTURAL ECONOMICS

Production of cotton having a staple length of less than 15/16" is much more important in Texas, Oklahoma, Alabama, Georgia, and Tennessee than elsewhere in the Belt. Of the total short staple cotton produced during the past 3 years, over 90 percent of it was from these 5 States, even though their total production of cotton was only 50 percent of the United States total. The percentage of cotton under 15/16" ranged from less than 1 percent in some districts of Mississippi and Louisiana to over 80 percent in western Texas.

In view of the large supply of short staple cotton now on hand, a shift in 1944 of at least some of the short staple cotton acreage to longer staple varieties or to other crops appears warranted.

 T H E C O T T O N S I T U A T I O N

Table of Contents

	<u>Page</u>
The Domestic Cotton Outlook, 1943-44	3
Returns from Marketings of the 1943 Cotton Crops May be	
Second Largest Since 1929	3
Peak in Cotton Consumption Past; Consumption Will be Less than in	
Past Two Seasons but Well Above Pre-War Level	3
Labor Limiting Factor in Cotton Consumption	3
Consumption May Total from 10.0 Million to 10.3 Million Bales in	
1943-44 Compared with 11.1 Million in 1942 and 11.2 Million	
in 1941	4
Composition of Carry-Over; Grade and Staple	4
Quality of New Crop Better Than in 1942; Grades Considerably	
Higher, Staple Slightly Shorter	5
Supply and Distribution, 1943-44	6
Outlook for Production in 1944	6
The Cotton Outlook in Foreign Countries	7
Outlook for American Cotton in Foreign Countries	7
Consumption of Foreign Cotton Lowest Since 1933; 1943 Carry-	
Over Largest on Record	8
Post-War Outlook for Cotton	8
Tables:	
1.- Cotton, American: World supply and consumption, 1920-43	11
2.- Cotton, foreign: World supply and consumption, 1920-43	12
3.- Cotton, all kinds: World supply and consumption, 1920-43 ...	13
4.- Cotton, American Upland: Supply and distribution, by	
grade and staple length, 1941-43	14-15
5.- Cotton, Upland: Ginnings having a staple length of less than	
15/16 inch and total ginnings, by grade and staple	
districts, 1940-42	16-17
6.- Statistical Summary	18

-- October 1, 1943

THE DOMESTIC COTTON OUTLOOK 1943-44

Returns from Marketings of the 1943 Cotton
Crops May be Second Largest Since 1929

Cotton farmers are receiving the highest prices in many years for the cotton crop they are now harvesting. The September farm price of 20.20 cents was the highest of any month since July 1928 and the highest of any September since 1927. It represents 99 percent of the September parity price of 20.46 cents per pound. The September farm price of cottonseed was \$51.90 per ton, which represents 140 percent of the parity price of \$37.20 per ton.

Although the farm prices of both lint and seed are somewhat above last year's weighted average of 19.04 cents per pound for lint and \$45.63 per ton for seed, the outlook is for a somewhat lower return from marketings than in 1942. Although no official estimate of returns in 1943-44 can be made at this time, it is helpful in analyzing the cotton outlook to see the effects of various assumed prices. For instance, the crop of 11,679,000 bales would return to farmers 1,112 million dollars from lint at a price of 19.04 cents per pound, which was the weighted average farm price last season. An average equal to the September farm price of 20.20 cents would return 1,180 million dollars from the sale of lint. Returns for a crop of the size indicated in the September crop report may be figured at 58.4 million dollars for each 1 cent of price.

Assuming a lint-seed ratio of 35-65 and sales equivalent to 80 percent of production, returns from the sale of cottonseed would total about 189 million dollars at the 1942-43 season average farm price and 215 million on the basis of the September farm price. Thus, returns from seed can be figured at about 20.7 million dollars for each \$5 in the price of seed per ton.

Total returns from marketings of lint and seed would therefore be about 1,301 million dollars assuming last season's weighted average farm prices for lint and seed, or 1,395 million dollars on the basis of September 1943 farm prices. Except for 1942, when returns totaled 1,426 million dollars, these assumed returns would be the highest returns since 1929.

Peak in Cotton Consumption Past; Consumption Will
be Less than in Past Two Seasons but Well
Above Pre-war Level

Domestic cotton consumption is declining but consumption in 1943-44 will nevertheless be much above any pre-war year. So marked was the rise in consumption early in the defense program that the Federal Reserve Board index of cotton consumption (1935-39 = 100) advanced from 119 in September 1940 to a peak of 177 in April 1942, an advance of 58 points in 20 months. In 17 months since that time the index has dropped to 152, a decline of 25 points and the lowest since February 1941.

Labor Limiting Factor in Cotton
Consumption

One of the principal factors accounting for the decline in cotton consumption has been the high turn-over rate among textile workers which has

resulted in inexperienced workers replacing experienced workers with an accompanying loss in labor efficiency. More recently it has even been impossible to find a sufficient number of replacements so that employment has declined. The peak in employment was reached in December 1942 when the number of employees in cotton manufactures, including small wares, totaled 528,000. By July 1943 the number had declined 5.1 percent to 501,000, the lowest total since June 1941.

In all probability the labor situation in cotton mills will become even more difficult this season with a resulting decline in cotton consumption from last season's level.

Consumption May Total from 10.0 Million to 10.3
Million Bales in 1943-44 Compared with 11.1
Million in 1942 and 11.2 Million in 1941

Although it is to be hoped that consumption in the coming months will rise above the levels reached in July and August, it is certain that the total consumption this season will be well below the 11.1 million bales consumed in 1941-42. If the rather sharp drop in July and August were attributable to vacations, consumption in the fall months would be expected to increase somewhat but remain in line with the slight downward trend prevailing last winter and spring. If, however, the drop in July and August reflects a reduction in some mills of the third shift and week-end operation without hope of their immediate resumption, and an inability of other mills to recruit and train workers fast enough to prevent a decline in production, there is little basis for expecting full recovery in cotton consumption.

Just how far consumption will fall below the 11.1 million bales consumed in 1942-43 remains to be seen. If mills were able to use about 42,000 or 43,000 bales of cotton per working day during the fall months the total consumption for the season may total something like 10.3 million bales. If, on the other hand, they are unable to recover from the summer slump, consumption may total only about 10 million. Of these amounts foreign cotton will comprise about 150,000 bales.

Composition of Carry-Over; Grade and Staple

At the beginning of the marketing season the carry-over of Upland cotton averaged slightly lower in grade and about the same in staple length as that reported in 1942. The grade index was 93.0 compared with 93.9 a year earlier while the staple length averaged 30.9 thirty-second inch in both 1942 and 1943.

The carry-over of both of the grade groups, Strict Middling and higher, and Middling, underwent reductions totaling 463,000 bales, or 10 percent, while the lower grade groups showed increases of 518,000 bales, or 9 percent. So far as staple groups are concerned, the only one showing a decline was 15/16 inch through 1 inch. The others increased. Viewing each year's carry-over in terms of the preceding year's disappearance, the following comparisons can be made. The carry-over of cotton in the shortest staple length group, 29/32 inch and less, declined from 227 percent of 1941-42 disappearance in

1942 to 186 percent of the 1942-43 disappearance in 1943. In the longest staple group, 1-1/8 inches and longer, the carry-over as a percentage of disappearance increased from 80 percent in 1942 to 116 percent in 1943. The staple length group in relatively shortest supply was from 15/16 inch through 1 inch, where the carry-over as a percentage of disappearance declined from 73 percent in 1942 to 63 percent in 1943.

The carry-over of the staple length group -- 29/32 inch and shorter -- increased from 3,627,000 in 1942 to 3,786,000 bales, a gain of 159,000 bales, or 4 percent. Grades Middling and higher declined 275,000 bales or 21 percent while those Strict Low Middling and lower increased 434,000 bales, or 19 percent. The carry-over of cotton from 15/16 inch through 1 inch dropped from 3,771,000 bales to 3,252,000, a loss of 519,000 bales, or 14 percent. Of this length class all grade groups down to and including Strict Low Middling shared in this decrease. Their combined loss totaled 623,000 bales or 23 percent. However, this was partially offset by an increase in Low Middling and lower of 104,000 bales or 10 percent.

In the staple length group 1-1/32 inches through 1-3/32 inches, the carry-over increased from 2,435,000 bales to 2,757,000, a gain of 322,000 bales or 13 percent. Strict Middling and higher declined 83,000 bales or 18 percent but other lengths increased 405,000 bales or 20 percent. The carry-over of 1-1/8 inch and longer increased from 642,000 bales to 735,000 bales, a gain of 93,000 bales, or 14 percent. All grade groups shared in the increase.

The disappearance of Upland cotton totaled 12,308,000 bales last season, a gain of 339,000 bales over 1941-42. Each of the three shorter staple length groups shared in this increase. The disappearance of cotton 1-1/8 inches and longer declined from 801,000 bales in 1941-42 to 636,000 bales in 1942-43, a drop of 165,000 bales, or 21 percent. Similarly, the disappearance of Strict Middling and higher declined in all staple length groups as did the disappearance of Middling cotton in the two medium staple groups.

The increased use of cotton 29/32 inch and shorter cotton and the decreased use of 1-1/8 inch and longer cotton were both significant developments in 1942-43. In the former case it resulted in the lowering of the number of months supply represented by the carry-over from about 27 months to about 22 months, based on the 1942-43 rate of disappearance. In the case of cotton having a staple length of 1-1/8 inches and longer the number of months supply represented by the carry-over increased from 10 to 14. In the other staple length groups the number of months supply represented by the carry-over was about unchanged except in the case of Low Middling and lower cotton having a staple length from 15/16 inch through 1 inch. Partially as a result of an increase in the disappearance of these qualities from 420,000 to 772,000 bales, the month's supply represented by the carry-over dropped from 31 months in 1942 to 18 months in 1943.

Quality of New Crop Better Than in 1942: Grades
Considerably Higher, Staple Slightly Shorter

Ginnings through September 15 averaged somewhat higher in grade than up to the same time in 1942. The quantity of Strict Middling and higher,

White and Extra White, ginned through September 15 totaled 1,170,990 bales, or 31.4 percent of total ginnings up to that date of 3,730,832 bales. During the same period last season the comparable figures were 208,037 bales, or 10.0 percent of ginnings to mid-September of 2,076,089 bales. In fact, the quantity of Strict Middling and higher cotton ginned up to September 15 is greater than the total quantity of these grades in the entire 1941 and 1942 seasons by 46 percent and 31 percent, respectively. Middling and higher, White and Extra White cotton comprised about 75 percent of the cotton ginned through September 15 against about 52 percent a year ago. Ginnings of Strict Low Middling totaled about 715,000 bales or a little less than for the same period last season despite the substantial increase in total ginnings. The grade index through September 15 was 99.6 against 96.5 a year ago.

The average staple length of ginnings through September 15 was exactly 1 inch compared with 32.3 thirty-seconds inch to the same date last season. Cotton 29/32 inch and shorter comprised 10.5 percent of the total compared with 8.2 percent last season; cotton 15/16 inch through 1 inch comprised 48.5 percent compared with 44.4 percent in 1942; cotton 1-1/32 inches through 1-3/32 inches comprised 35.6 percent compared with 42.6 percent and 1-1/8 inches and longer cotton totaled 5.4 percent of the total compared with 4.8 percent up to mid-September 1942. With roughly two-thirds of the crop remaining to be ginned on September 15, the quality composition of the total crop may vary substantially from that ginned early in the season.

Supply and Distribution, 1943-44

The carry-over of cotton in this country on August 1 was 10,656,952 bales or 17,000 bales larger than at the beginning of last season. The domestic carry-over of American cotton showed an increase, rising from 10,505,000 bales last year to 10,569,000 bales this year. The carry-over of foreign cotton fell from 135,000 bales in 1942 to 88,000 bales in 1943. Production (in season ginnings with city crop adjusted) is estimated at 11,450,000 bales on the basis of September 1 indications. The total domestic supply of American cotton therefore is expected to be about 22 million bales or about 1.1 million less than in 1942-43.

Disappearance (consumption, exports, and destroyed) is also expected to be less than last season's total of 12.6 million bales. If consumption recovers from the summer slump and totals about 10.3 million for the full season, the domestic disappearance of American cotton may total about 11.8 million bales. This would result in an end-of-season carry-over of American cotton of about 10.2 million bales, a reduction of 350,000 bales. If consumption fails to recover from the drop in midsummer, disappearance might be about 300,000 bales smaller, in which case the end-of-season carry-over would not be greatly different from what it was at the beginning of the season.

OUTLOOK FOR PRODUCTION in 1944

Despite the comparatively large carry-over in prospect for the end of the current season, much of it will continue to be in shorter staples and lower grades. Supplies are currently unbalanced with the carry-over of very short cotton disproportionately large in terms of current disappearance. No

material correction of this situation is in immediate prospect. But to improve it, cotton producers throughout the belt should make a concerted effort to improve the staple length and grade of the 1944 crop.

In some parts of the Cotton Belt, yields obtained from varieties which will staple 15/16 inch and longer are fully as good as can be obtained from the very short staple varieties now grown, and the longer staple cotton is in much greater demand. A shift to these varieties would improve the quality of the crop as well as increase the net returns from cotton. Continued shifts away from very short staple cotton to slightly longer staple varieties would be in keeping with wartime needs and represent a desirable long-time adjustment. To encourage the shifts in staple, increased emphasis needs to be placed on making grade and staple premiums and discounts effective in local markets.

The over-all cotton supply situation differs from most other agricultural products in that total stocks of cotton appear ample for prospective needs without expanding cotton production. In view of this, farmers who can as profitably produce other products for which war needs are more acute should expand the production of these other products even though this expansion necessitates some reduction in cotton acreage. This is particularly true of those producers who normally produce low-quality cotton. Alternatives which give promise of being as profitable or more profitable than cotton on many farms in 1944 include wheat and grain sorghums in parts of the Southwest, peanuts in many of the Coastal Plains and Southwestern sandy land areas, alfalfa and dry beans in the irrigated areas, and sweetpotatoes, potatoes, and vegetables in some localities. Farmers without suitable alternatives may find it desirable to expand their cotton production, the extent of such expansion depending largely on the availability of local labor and prospective needs for home-produced feed to maintain efficient livestock production.

THE COTTON OUTLOOK IN FOREIGN COUNTRIES

Outlook for American Cotton in Foreign Countries

The outlook for American cotton in foreign countries is somewhat brighter this season than last but, even so, consumption will be small in terms of pre-war levels. The United Kingdom will continue to be the largest foreign consumer of American cotton, since little change is expected there this season. In Canada, our second-best wartime customer, the consumption of American cotton is expected to show a substantial increase because of a shift away from Brazilian cotton, even though total consumption is falling off because of the labor situation in the Canadian textile industry.

Many Canadian mills that had always before used American cotton shifted to Brazilian cotton in 1940-41. This shift, resulting from a price disparity in which Brazilian cotton delivered in Canada undersold comparable qualities of American cotton by several cents per pound, went so far that during the first half of the 1941-42 season 72 percent of the cotton consumed in Canadian mills was Brazilian compared with only 22 percent American. More recently, the tight shipping situation has prevented further importation of Brazilian cotton and Canadian mills have returned to American cotton.

In other foreign countries (except Spain) to which American cotton was exported last season, consumption of American cotton may be about the same as last season. Consumption of American cotton in Axis countries was very small last season and will be even smaller this year inasmuch as their meager stocks are virtually exhausted.

Exports to Spain and other continental countries are quite unpredictable. As far as countries now under Axis domination are concerned, consumption of American cotton must, of course, be preceded by expulsion of Axis forces. Even then the level of cotton consumption will depend on the quantity of usable equipment, power resources, labor supply, the shipping situation, and Allied policies for dealing with territories removed from Axis domination.

Consumption of Foreign Cotton Lowest Since 1933;
1943 Carry-Over Largest On Record

In 1938-39, the last full year before the outbreak of the European war, the world consumption of foreign cotton totaled 17,258,000 bales, only slightly less than the all-time high established 2 year earlier. In each successive year consumption has declined until in 1942-43 it is estimated to have totaled only 12.7 million bales, a reduction of 26 percent in 4 years to the lowest level since 1933.

Foreign production increased during the first full war year but has since dropped from 16,289,000 bales in 1940 to 13,800,000 bales in 1942. Despite this decline in production during the past 2 years, the world carry-over of foreign cotton has continued to increase. In fact, the carry-over has increased each year since 1939. In that year the carry-over of 7,501,000 bales represented 5.2 months' supply at the preceding year's rate of disappearance. The 1943 carry-over, on the other hand, represented 11.7 months' disappearance at the 1942-43 rate. The carry-over of foreign cotton on August 1, 1943, represented 52 percent of the world total cotton carry-over compared with only 35 percent in 1939.

POST-WAR OUTLOOK FOR COTTON

Even if it were known when the war will end it would be difficult in many respects to determine just what the post-war period will hold in store for cotton. Regardless of when the war ends, however, certain aspects of the post-war cotton situation are now sufficiently evident to merit careful consideration.

The war has already been going on long enough to deplete the civilian supply of cotton textiles in Axis and Axis-held nations. Civilian supplies are likewise low in other countries dependent on imports of raw cotton and/or textiles. In most Axis areas the cotton textile situation is tighter than the total textile situation, inasmuch as they have increased their production of rayon staple fiber sufficiently to enable them to be self-sufficient as far as textiles are concerned. However, civilian supplies are so low that there can be no doubt that large quantities of cotton textiles will be needed in the immediate post-war period.

Many of these needy peoples, however, will lack sufficient purchasing power to buy enough food and textiles to satisfy their wants and when choosing between these two classes of goods at the bare subsistence level there is a strong inclination to buy food and make the old textiles do just a little while longer. Relief distribution of both food and textiles in war-torn areas may help to alleviate the need but it probably will not result in as high a level of consumption as will accompany the higher levels of industrial activity, employment, and consumer purchasing power hoped for in the post-war period following the period of relief and rehabilitation.

The upturn in cotton consumption may be fairly slow because of the lack of purchasing power noted above and because of the necessity for reconditioning textile machinery. If retreating Axis armies practice a policy of scorched earth, much damage may be done to textile mills. This will be over and above the likelihood of damage from direct military operations. Not only will mills destroyed or badly damaged by the war need to be replaced or repaired, but much of the machinery in nondevastated areas or countries will be in need of reconditioning. All in all, considerable time will probably elapse before the cotton textile machinery in the world is brought up to the pre-war level as regards quantity and efficiency.

Cotton will continue to be the world's leading textile fiber after the war but its lead over competitors will not be as great as before the war. During the 1930's, Germany, Japan, and Italy expanded synthetic fiber production, mostly rayon staple fiber, so that their essential fiber needs could still be met despite the possibility of imports being rendered impossible by a prolonged period of blockade. In this country rayon rose in importance from an entirely new fiber just before World War I to a position of importance among apparel fibers in this country second only to cotton in 1940 when the supply made available for use by ultimate consumers in the United States averaged 3.6 pounds per capita. Other synthetic fibers such as nylon, aralac, and spun glass have also been introduced. Synthetic fibers are demonstrating their ability to compete successfully with cotton and other natural fibers in a far wider variety of uses than ever before, and prospects point to a continued expansion of synthetics in the post-war years.

The world carry-over of cotton will be large when peace comes. The carry-over is estimated to have totaled about 23.9 million bales on August 1 of this year. This is the highest level yet reached, 10.5 percent higher than in the summer of 1939, just before the outbreak of war. During the 4-year period the world carry-over of American cotton shrank from 14.1 million bales to 11.5 million. The carry-over of foreign cotton, however, increased from 7.5 million bales in 1939 to 12.4 million in 1943. Thus, while the carry-over of American cotton at the end of the war may be considerably smaller than at its beginning, the world carry-over of foreign cotton and of all cotton combined is likely to be at record or near-record levels.

Not only is there a large backlog of raw cotton in prospect for the end of the war but it will be widely held by different export-producing countries, and in general at prices substantially below the price at which Government-held cotton in this country can now be sold. In all probability the producers in each such country are hoping not only for a chance to move this present surplus but also for a strong enough demand for cotton in the post-war period to return favorable prices for an expanded production. The resumption of an active import demand for cotton after the war, therefore, will probably see foreign cotton moving into consumption at substantially lower prices than would bring forth supplies of American cotton inasmuch as, under the Steagall Amendment, the price of American cotton must continue to be supported now and for 2 years after the war by means of a 90 percent of parity loan.

Table 1.- Cotton, American: World supply and consumption, 1920-43

Year begin- ning Aug.	Supply						Mill consumption 1/			
	Carry-over Aug. 1			Foreign coun- tries	World total carry- over	World produc- tion	World total supply	United States	Foreign coun- tries	World total consump- tion
	United States		Total							
	Loan stocks	Other stocks								
	1,000 run- ning bales	1,000 run- ning bales	1,000 run- ning bales	1,000 run- ning bales	1,000 run- ning bales	1,000 run- ning bales	1,000 run- ning bales	1,000 run- ning bales	1,000 run- ning bales	1,000 run- ning bales
1920	0	3,541	3,541	2,797	6,338	13,664	20,002	4,677	5,591	10,268
1921	0	6,724	6,724	2,950	9,674	8,285	17,959	5,613	6,596	12,209
1922	0	3,156	3,156	2,524	5,680	10,124	15,804	6,325	6,124	12,449
1923	0	2,129	2,129	1,189	3,318	10,330	13,648	5,353	5,564	10,917
1924	0	1,439	1,439	1,272	2,711	14,006	16,717	5,917	7,394	13,311
1925	0	1,503	1,503	1,877	3,380	16,181	19,561	6,176	7,834	14,010
1926	0	3,413	3,413	2,088	5,501	18,162	23,663	6,880	8,868	15,748
1927	0	3,662	3,662	4,183	7,845	12,957	20,802	6,535	9,041	15,576
1928	0	2,425	2,425	2,781	5,206	14,555	19,761	6,778	8,448	15,226
1929	0	2,131	2,131	2,386	4,517	14,716	19,233	5,803	7,218	13,021
1930	2/1,312	3,010	4,322	1,865	6,187	13,873	20,060	5,084	5,972	11,056
1931	2/3,393	2,870	6,263	2,713	8,976	16,877	25,853	4,744	7,784	12,528
1932	2/2,379	7,201	9,580	3,683	13,263	12,961	26,224	6,004	8,381	14,385
1933	1,129	6,952	8,081	3,728	11,809	12,712	24,521	5,553	8,227	13,780
1934	3,002	4,646	7,648	3,053	10,701	9,576	20,277	5,241	5,965	11,206
1935	5,088	2,049	7,137	1,904	9,041	10,495	19,536	6,221	6,282	12,503
1936	3,237	2,099	5,336	1,662	6,998	12,375	19,373	7,768	5,325	13,093
1937	1,665	2,722	4,387	1,848	6,235	18,412	24,647	5,616	5,179	10,795
1938	6,964	4,482	11,446	2,341	13,787	11,665	25,452	6,736	4,513	11,249
1939	11,049	1,907	12,956	1,181	14,137	11,418	25,555	7,655	5,221	12,876
1940	8,733	1,736	10,469	2,073	12,542	12,305	24,847	9,576	2,291	11,867
1941	7,047	4,979	12,026	771	12,797	10,628	23,425	10,974	1,236	12,210
1942 3/	4,218	6,287	10,505	610	11,115	12,633	23,748	10,930	1,210	12,140
1943 3/	4,608	5,961	10,569	900	11,469	11,450	22,919			

Compiled from reports of the Bureau of the Census, the New York Cotton Exchange Service, the Commodity Credit Corporation, and estimates by the Department of Agriculture.

1/ Excluding from 18,000 to 183,000 bales destroyed annually.

2/ Probably includes some futures, the exact amount of which is not known.

3/ Preliminary and partly estimated. Production in 1943 based on September 1 indications.

Table 2.- Cotton, foreign: World supply and consumption, 1920-43

Year begin- ning Aug.	Supply					Mill consumption 1/		
	Carry-over Aug. 1		World total carry- over	World produc- tion	World total supply	United States	Foreign countries	World total consump- tion
	United States	Foreign countries						
	1,000 bales	1,000 bales	1,000 bales	1,000 bales	1,000 bales	1,000 bales	1,000 bales	1,000 bales
	2/	2/	2/	2/	2/	2/	2/	2/
1920	283	5,131	5,414	6,964	12,378	216	6,667	6,883
1921	172	5,323	5,495	6,888	12,383	297	7,272	7,569
1922	166	4,648	4,814	8,327	13,141	341	8,547	8,888
1923	196	4,057	4,253	8,760	13,013	328	8,782	9,110
1924	117	3,786	3,903	10,088	13,991	276	9,147	9,423
1925	107	4,461	4,568	10,562	15,130	280	9,878	10,158
1926	129	4,843	4,972	9,768	14,740	310	9,621	9,931
1927	100	4,709	4,809	10,386	15,195	299	9,567	9,866
1928	111	5,218	5,329	11,247	16,576	313	10,239	10,552
1929	182	5,842	6,024	11,535	17,559	303	11,551	11,854
1930	208	5,497	5,705	11,503	17,208	179	11,197	11,376
1931	107	5,725	5,832	9,602	15,434	122	10,239	10,361
1932	98	4,975	5,073	10,500	15,573	133	10,133	10,266
1933	83	5,224	5,307	13,354	18,661	147	11,675	11,822
1934	96	6,743	6,839	13,466	20,305	120	14,154	14,274
1935	71	5,960	6,031	15,646	21,677	130	14,896	15,026
1936	73	6,578	6,651	18,354	25,005	182	17,363	17,545
1937	112	7,348	7,460	18,333	25,793	132	16,646	16,778
1938	87	8,828	8,915	15,844	24,759	122	17,136	17,258
1939	77	7,424	7,501	15,908	23,409	129	15,481	15,610
1940	95	7,635	7,730	16,289	24,019	146	14,529	14,675
1941	140	9,104	9,244	15,573	24,817	196	13,166	13,362
1942 3/	135	11,270	11,405	13,850	25,255	170	12,540	12,710
1943 3/	88	12,357	12,445					

Compiled from reports of the Bureau of the Census, the New York Cotton Exchange Service, and estimates by the Department of Agriculture.

1/ Excludes from 50,000 to 100,000 bales destroyed annually for recent years.

2/ 478 pounds net weight.

3/ Preliminary and partly estimated.

Table 3.- Cotton, all kinds: World supply and consumption, 1920-43

Year begin- ning Aug.	Supply					Mill consumption 1/		
	Carry-over Aug. 1		World total carry- over	World produc- tion	World total supply	United States	Foreign countries	World total consump- tion
	United States	Foreign countries						
	1,000 bales 2/	1,000 bales 2/	1,000 bales 2/	1,000 bales 2/	1,000 bales 2/	1,000 bales 2/	1,000 bales 2/	1,000 bales 2/
1920	3,824	7,928	11,752	20,628	32,380	4,893	12,258	17,151
1921	6,896	8,273	15,169	15,173	30,342	5,910	13,868	19,778
1922	3,322	7,172	10,494	18,451	28,945	6,666	14,671	21,337
1923	2,325	5,246	7,571	19,090	26,661	5,681	14,346	20,027
1924	1,556	5,058	6,614	24,094	30,708	6,193	16,541	22,734
1925	1,610	6,338	7,948	26,743	34,691	6,456	17,712	24,168
1926	3,542	6,931	10,473	27,930	38,403	7,190	18,489	25,679
1927	3,762	8,892	12,654	23,343	35,997	6,834	18,608	25,442
1928	2,536	7,999	10,535	25,802	36,337	7,091	18,687	25,778
1929	2,313	8,228	10,541	26,251	36,792	6,106	18,769	24,875
1930	4,530	7,362	11,892	25,376	37,268	5,263	17,169	22,432
1931	6,370	8,438	14,808	26,479	41,287	4,866	18,023	22,889
1932	9,678	8,658	18,336	23,461	41,797	6,137	18,514	24,651
1933	8,164	8,952	17,116	26,066	43,182	5,700	19,902	25,602
1934	7,744	9,796	17,540	23,042	40,582	5,361	20,119	25,480
1935	7,208	7,864	15,072	26,141	41,213	6,351	21,178	27,529
1936	5,409	8,240	13,649	30,729	44,378	7,950	22,688	30,638
1937	4,499	9,196	13,695	36,745	50,440	5,748	21,825	27,573
1938	11,533	11,169	22,702	27,509	50,211	6,858	21,649	28,507
1939	13,033	8,605	21,638	27,326	48,964	7,784	20,702	28,486
1940	10,564	9,708	20,272	28,594	48,856	9,722	16,820	26,542
1941	12,166	9,875	22,041	26,201	48,242	11,170	14,402	25,572
1942 3/	10,640	11,880	22,520	26,483	49,003	11,100	13,750	24,850
1943 3/	10,657	13,257	23,914					

Compiled from reports of the Bureau of the Census, the New York Cotton Exchange Service, the Commodity Credit Corporation, and estimates by the Department of Agriculture.

1/ Excluding from 18,000 to 283,000 bales destroyed annually.

2/ American in running bales (counting round bales as half bales) and foreign in bales of approximately 478 pounds net weight.

3/ Preliminary and partly estimated.

Table 4.-- Cotton, American Upland: Supply and distribution, by grade and staple length, 1941-43

	Year beginning August											
	1941-42				1942-43				1943-44			
	Supply	Per-	Disap-	Carry-over	Supply	Per-	Disap-	Carry-over	Supply	Per-	Disap-	Carry-over
Staple length and grade 1/												
Carry-over	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000
Pro-duction	50	337	173	164	97	261	168	48	7	38	93	55
Disap-pear-ance	231	1,752	611	1,141	596	1,737	800	627	71	239	937	117
Total	464	1,859	422	1,437	790	2,227	639	911	320	357	1,588	249
Pro-duction	920	1,277	392	885	716	1,601	433	202	619	347	1,168	270
Disap-pear-ance	357	1,665	1,598	3,627	227	2,199	5,826	2,040	1,017	981	3,786	186
Total	3,560	5,225	1,598	3,627	227	2,199	5,826	2,040	1,017	981	3,786	186
15/16" - 1"												
S.M. & higher 3/	547	268	815	531	216	500	339	11	7	143	161	47
Middling	1,905	1,555	3,470	2,417	1,788	2,841	2,000	102	76	663	841	42
S.L.M. 4/	1,762	1,368	3,130	1,784	1,774	3,120	2,062	231	156	671	1,058	51
L.M. & lower 5/	653	855	1,508	420	876	1,964	772	231	409	552	1,192	154
Total	4,867	4,056	8,923	5,152	4,654	8,425	5,173	575	648	2,029	3,252	63
1-1/32" - 1-3/32"												
S.M. & higher 3/	760	406	1,156	711	497	952	580	7	61	304	372	64
Middling	1,194	1,746	2,940	2,077	2,113	2,931	1,908	9	104	960	1,073	56
S.L.M. 4/	657	1,475	2,132	1,373	1,720	2,479	1,617	42	123	697	862	53
L.M. & lower 5/	244	371	615	257	446	804	354	12	149	289	450	127
Total	2,855	3,993	6,853	4,418	4,781	7,216	4,459	70	437	2,250	2,757	62

Continued -

Table 5.- Cotton, Upland:

Ginnings having a staple length of less than 15/16 inch and total ginnings, by grade and staple districts, 1940-42

State and district	Number of bales 1/ under 15/16 inch			Total number of bales 1/ ginned			Percentage under 15/16 inch		
	1940	1941	1942	1940	1941	1942	1940-42 average	1940-42 average	1940-42 average
	Number	Number	Number	Number	Number	Number	Number	Number	Percent
Alabama 1	49,920	26,713	56,843	44,492	368,547	408,303	465,008	413,953	10.7
2	56,643	16,060	27,718	33,474	236,885	216,934	283,859	245,893	13.6
3	78,987	16,104	45,373	46,821	163,093	149,202	143,591	151,962	30.8
State	185,550	58,877	129,934	124,787	768,525	774,439	892,458	811,807	15.4
Arkansas 1	9,161	28,667	18,530	18,786	222,981	143,090	142,245	169,439	11.1
2	53,870	16,343	20,012	30,075	732,377	786,765	765,341	761,494	3.9
3	1,972	5,225	4,448	3,882	165,575	114,177	156,157	145,303	2.7
4	12,575	850	3,133	5,519	356,177	337,170	364,129	352,492	1.6
State	77,578	51,085	46,123	58,262	1,477,110	1,381,202	1,427,872	1,428,728	4.1
Georgia 1	24,627	19,414	19,536	21,192	529,943	325,800	501,674	452,472	4.7
2	85,204	32,690	41,973	53,289	245,700	189,430	189,466	208,199	25.6
3	68,947	16,392	30,007	38,449	228,614	120,994	162,121	170,576	22.5
State	178,778	68,496	91,516	112,930	1,004,257	636,224	853,261	831,247	13.6
Louisiana 1	1,240	360	3,210	1,603	145,543	42,117	109,190	98,950	1.6
2	2,264	4,136	16,436	7,612	69,248	32,476	59,952	53,892	14.1
3	185	472	1,829	829	154,290	145,484	245,347	181,707	5.5
4	615	220	768	534	79,915	90,398	157,846	109,386	5.5
State	4,304	5,188	22,243	10,578	448,996	310,475	572,335	443,935	2.4
Mississippi 1	4,535	265	324	1,708	744,321	840,559	1,040,763	875,214	2.2
2	10,652	8,229	23,961	14,281	253,143	282,134	367,354	300,877	4.7
3	656	710	2,541	1,302	115,903	124,042	252,947	164,297	.8
4	753	804	1,226	928	124,919	140,812	225,889	163,873	.6
State	16,596	10,008	28,052	18,219	1,238,286	1,387,547	1,886,953	1,504,262	1.2
North Carolina 1	7,823	11,545	25,636	15,001	247,314	180,150	230,214	219,226	6.8
2	4,180	1,783	16,951	7,638	299,144	253,074	311,578	287,932	2.7
3	5,569	297	6,659	4,175	202,186	135,635	193,182	177,001	2.4
State	17,572	13,625	49,246	26,814	748,644	568,859	734,974	684,159	3.9
South Carolina 1	7,364	1,343	1,065	3,257	429,647	209,306	329,985	322,979	1.0
2	11,112	415	1,308	4,278	315,769	122,027	239,034	225,610	1.9
3	2,843	316	1,143	3,431	200,365	79,761	250,596	131,229	2.6
State	27,319	3,074	3,517	10,966	945,781	411,194	819,515	684,818	2.6

Table 5.- Cotton. Upland: Ginnings having a staple length of less than 15/16 inch and total ginnings, by grade and staple districts, 1940-42 - Continued

State and district	Number of bales 1/ under 15/16 inch			Total number of bales 1/ ginned			Percentage under 15/16 inch		
	1940	1941	1942	1940	1941	1942	1940-42 average	1940-42 average	1940-42 average
	Number	Number	Number	Number	Number	Number	Number	Number	Percent
Oklahoma 1	64,197	144,152	176,862	128,404	267,541	330,589	402,069	333,400	38.5
2	47,406	47,761	29,619	41,595	324,673	235,483	156,686	238,947	17.4
3	25,215	37,165	47,399	36,593	172,492	126,231	128,710	142,478	25.7
State	136,818	229,078	253,880	206,592	764,706	692,303	687,465	714,825	28.9
Tennessee 1	76,318	55,011	44,735	58,688	448,271	521,736	528,587	499,531	11.7
2	9,073	8,310	15,146	10,843	54,600	52,385	73,951	60,312	18.0
State	85,391	63,321	59,881	69,531	502,871	574,121	602,538	559,843	12.4
Texas 1	334,896	481,045	547,211	454,384	440,297	563,326	624,591	542,738	83.7
2	247,569	431,253	478,125	385,649	512,163	717,269	661,113	630,182	61.2
3	32,822	23,368	46,327	34,172	59,828	44,730	62,138	55,565	61.5
4	269,314	67,358	254,020	196,897	857,427	532,027	658,095	682,516	28.8
5	125,470	41,066	89,840	85,459	483,214	198,715	273,061	318,330	26.8
6	213	467	2,796	1,159	81,473	64,944	65,765	70,727	1.6
7	26,625	9,291	22,411	19,442	55,710	55,804	47,622	53,045	36.7
8	68,194	20,243	31,361	39,934	297,495	235,950	305,086	279,510	14.3
9	10,479	2,806	7,575	6,953	199,526	60,471	92,146	117,381	5.9
10	11,868	4,812	12,189	9,623	120,452	75,683	116,607	104,247	9.2
State	1,127,450	1,081,714	1,491,855	1,233,673	1,07,585	2,543,919	2,906,224	2,854,243	43.2
Arizona	1,441	15,299	5,394	7,378	160,652	138,100	133,376	144,043	5.1
California	3,236	53,174	4,024	20,145	530,479	395,567	398,920	441,655	4.6
Florida	5,039	1,332	1,709	2,693	16,058	12,937	13,994	14,330	18.8
Missouri	49,568	4,485	2,972	19,003	395,828	471,019	414,266	427,044	4.5
New Mexico	5,898	6,954	6,139	6,330	114,583	87,019	96,019	99,207	6.4
Virginia	325	113	466	303	21,344	24,026	28,333	24,568	1.2
Other 2/	2,168	409	1,469	1,349	14,999	22,601	19,722	19,107	7.1
United States	1,925,031	1,665,237	2,198,419	1,929,562	1,260,704	10,433,456	12,363,307	11,665,822	16.5

Compiled from reports of Food Distribution Administration, Cotton and Fiber Branch.

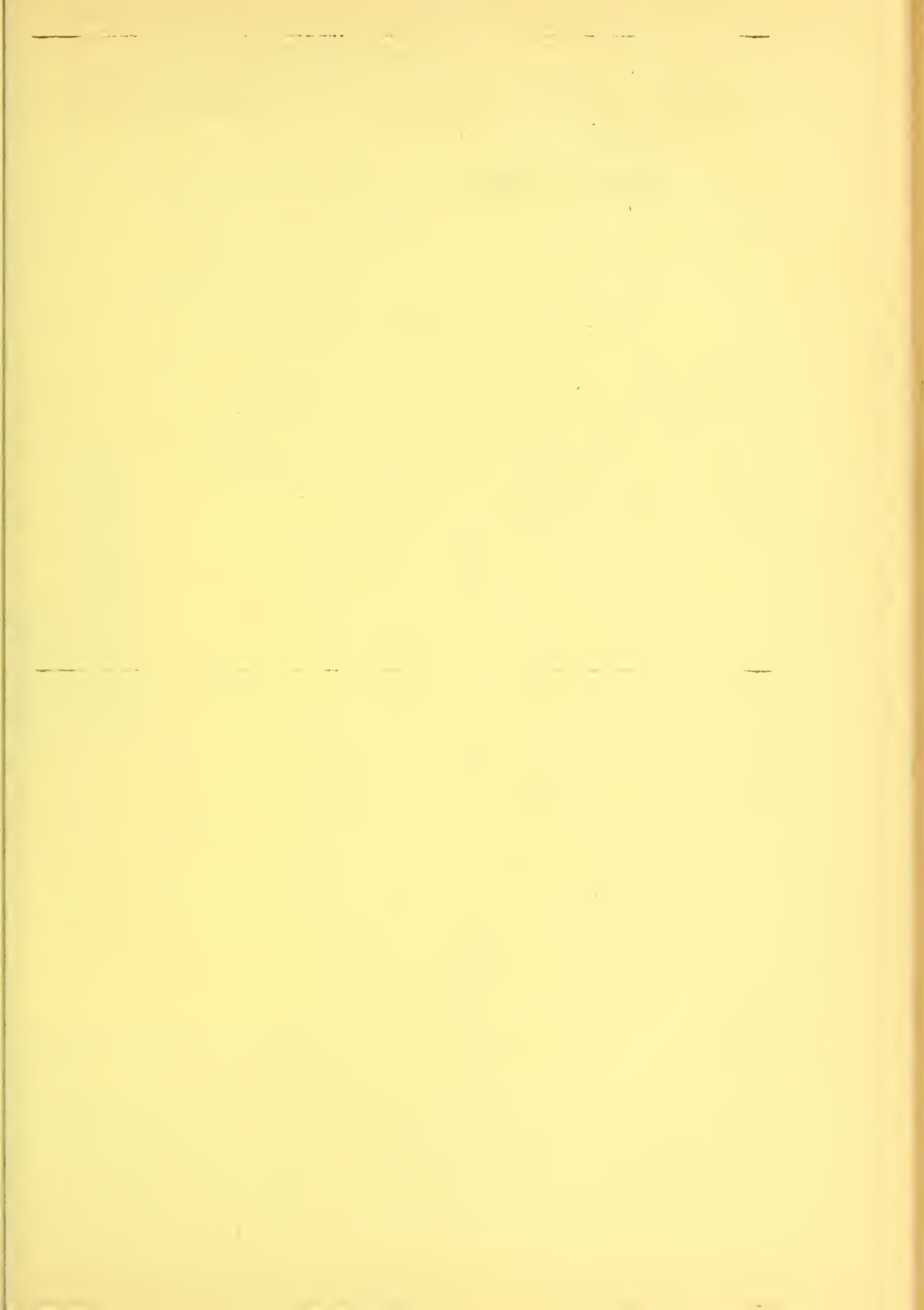
1/ Running bales counting round bales as half bales.

2/ Illinois and Kentucky.

Table 6.- STATISTICAL SUMMARY

Item	Unit or base period	1942	1943		
		Aug.	June	July	Aug.
Prices:					
Middling 15/16-inch, 10 markets:	Cent	18.57	21.11	20.85	20.45
Farm, United States	Cent	18.03	19.96	19.60	19.81
Parity	Cent	18.85	20.34	20.46	20.46
Farm, percentage of parity ...	Percent	96	98	96	97
Premium of 1-1/8-inch over basis 2/:					
Memphis	Point	450	410	401	392
Carolina "B" mill area	Point	650	650	606	585
New England mill area	Point	675	675	631	610
American-Egyptian, farm, Arizona:	Cent	40.0	43.3	---	45.7
SxP, New England mill points 3/:	Cent	44.86	47.44	47.96	48.20
Cloth, 17 constructions	Cent	40.62	40.62	40.62	40.62
Mill margin (17 constructions):	Cent	22.17	19.69	19.94	20.34
Cottonseed, farm price	Dollar	44.04	46.40	44.50	50.90
Cottonseed, parity	Dollar	34.28	37.00	37.20	37.20
Cottonseed, farm, pct. of parity:	Percent	128	125	120	137
Consumption:					
All kinds during month, total :	1,000 bales	924.9	916.8	839.7	842.3
All kinds cumulative, total ..:	1,000 bales	925	10,259	11,098	842
All kinds per day, total	Bale	44,044	41,672	39,986	38,285
All kinds, annual rate	Million bales:	11.2	10.6	10.2	9.9
American-Egyptian cotton, total:	Bale	4,143	4,487	3,524	3,369
American-Egyptian, cumulative :	Bale	4,143	46,749	50,273	3,369
Foreign cotton, total	Bale	15,330	11,826	9,907	10,192
Foreign cotton, cumulative ...:	Bale	15,330	159,747	169,654	10,192
Spindle activity:					
Spindles in place	Thousand	23,955	23,438	23,405	23,403
Active spindles	Thousand	23,001	22,777	22,655	22,633
Percentage active	Percent	95.9	97.2	96.8	96.7
Hours operated, total	Million	10,981	10,702	9,885	10,091
Hours per spindle in operation:	Hour	478	470	436	446
Hours per day 4/	Hour	15.4	15.7	14.1	14.4
Stocks, end of month:					
Consuming establishments	1,000 bales	1,925	2,222	2,117	1,929
Public storage and compresses :	1,000 bales	7,540	8,550	7,704	8,027
Total 5/	1,000 bales	9,465	10,772	9,821	9,956
Egyptian cotton, total 5/	Bale	27,171	39,954	38,052	34,292
American-Egyptian cotton, total 5/	Bale	22,264	34,757	36,541	36,960
Index numbers:					
Cotton consumption	1935-39 = 100:	169	160	153	147
Spindle activity 6/	Percent	137.0	130.0	120.0	122.5
Prices paid, interest, and taxes:	1910-14 = 100:	152	164	165	165
Industrial production	1935-39 = 100:	183	202	203	203
Wholesale prices	1910-14 = 100:	145	152	151	151

Compiled from official sources. 1/ Applies to last month for which data are available. 2/ Premiums for Middling 1-1/8 inch based on near active month future at New York. 3/ SxP, No. 2, 1-1/2 inch, New England mill points. 4/ Total hours per spindle in operation divided by number of days in calendar month. 5/ Includes only stocks in mills and public storage and at compresses. 6/ Based on 5-day 80-hour per week operation.



After five days return to
UNITED STATES DEPARTMENT OF AGRICULTURE
BUREAU OF AGRICULTURAL ECONOMICS
WASHINGTON 25, D. C.

Penalty for private use to avoid
payment of postage \$300

OFFICIAL BUSINESS

LIBRARY
U S DEPT OF AGRICULTURE
END-X-NEWS WASHINGTON D C